



EUROPEAN CENTRAL BANK

EUROSYSTEM

**Benoît Coeuré**  
ECB Executive Board Member

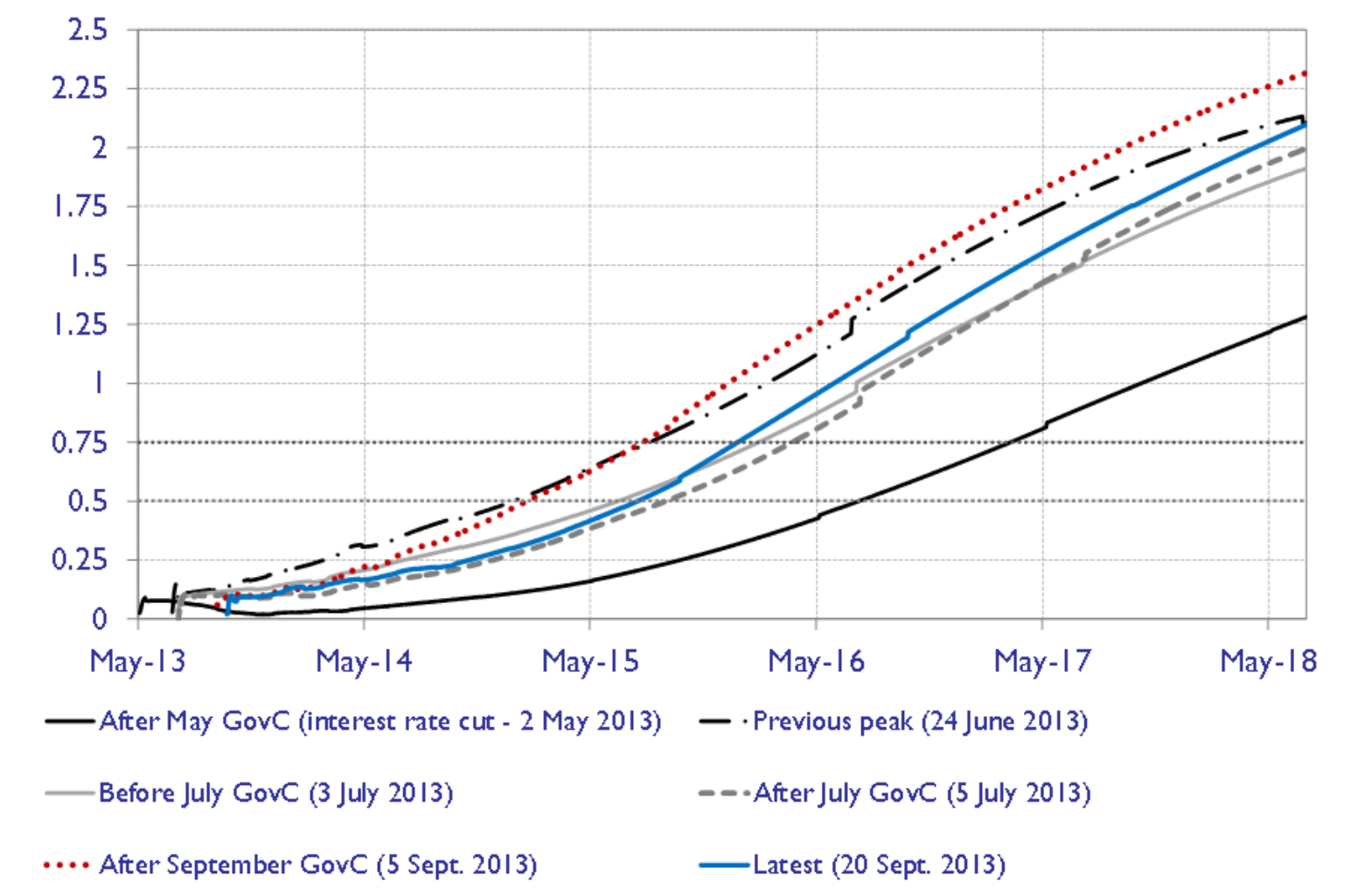
# The usefulness of forward guidance

Dinner speech before the Money  
Marketeers Club

New York, 26 September 2013

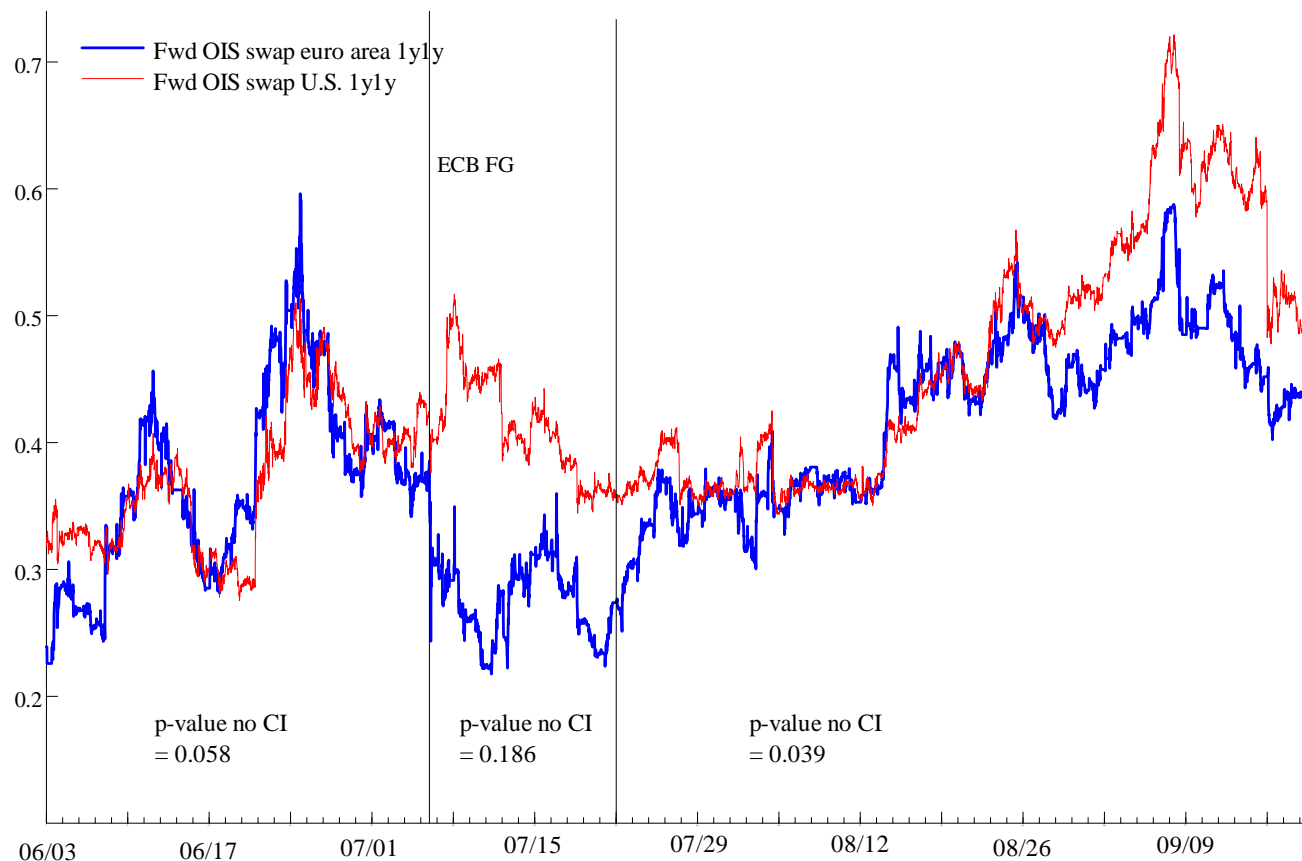
# Why forward guidance?

## EONIA forward curves derived from OIS rates (percent)



# Impact: Partial delinking from US rates

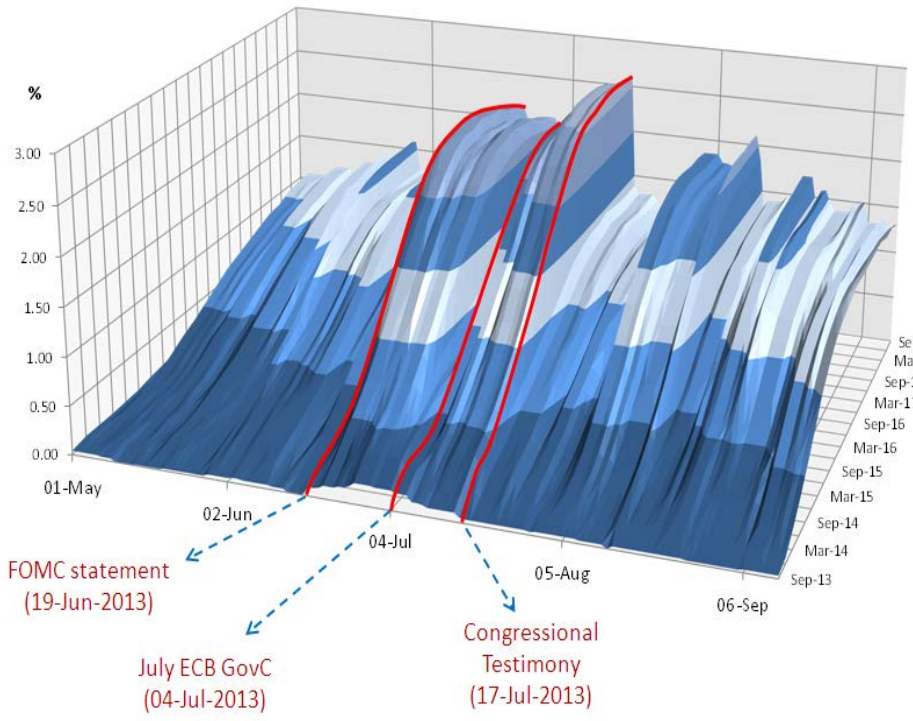
- After forward guidance announcement: broken cointegration relationship
- Since early August: come-back but with lower intensity



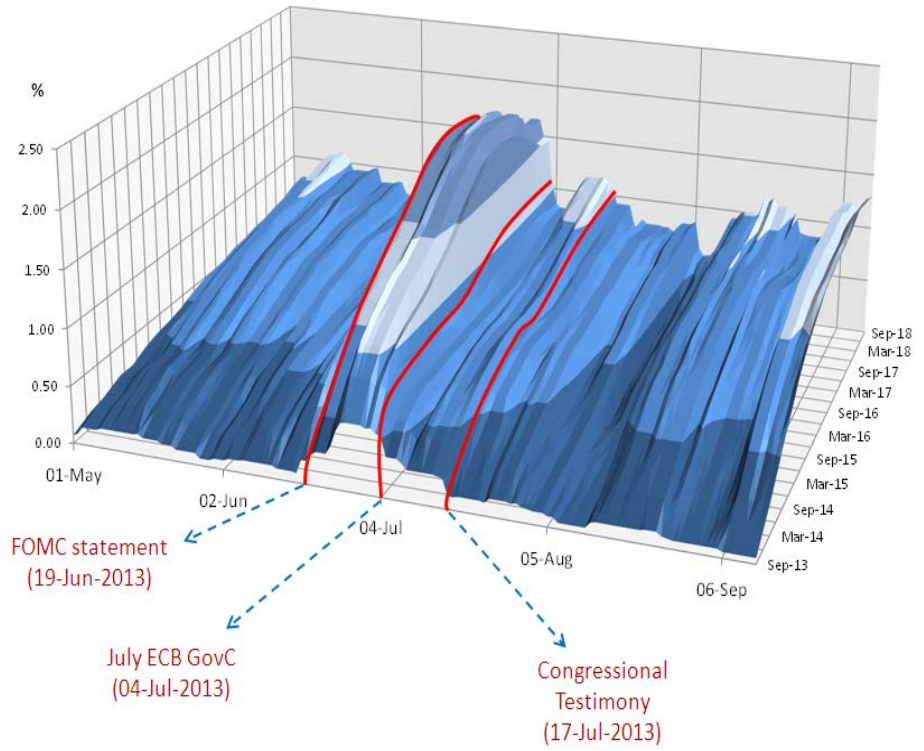
Source: ECB calculations.

# Impact: Reduced volatility

USA – Futures 10-days realised volatility



Euro area – Futures 10-days realised volatility



Source: ECB